DOCUMENT RESUME

ED 289 942 UD 025 954

AUTHOR	Yzaguirre, Raul
TITLE	Testimony on Unemployed Disadvantaged Youth. Presented before the Senate Subcommittee on Labor of the Senate Committee on Labor and Human Resources, United States Senate.
INSTITUTION	National Council of La Raza, Washington, D.C.
PUB DATE	17 Feb 87
NOTE	10p.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Disadvantaged Youth; Dropouts; Economic Status; *Employment Experience; *Federal Programs; *Hispanic Americans; Job Training; *Labor Force Nonparticipants; *Unemployment; Welfare Recipients
IDENTIFIERS	Comprehensive Employment and Training Act; Job Training Partnership Act 1982

ABSTRACT

This testimony on unemployed disadvantaged youth given before the Senate Subcommittee on Labor focuses on the condition of Hispanic and other disadvantaged youth in the labor force. The experiences of these youth with the Job Training Partnership Act (JTPA) are discussed, and the following problems are elucidated: (1) failure to meet the requirement that 40 percent of the funds be spent on youth services; (2) the use of short-term, low cost programs that cater mostly to the most job-ready participants; and (3) targeting in-school youth or high school graduates to the exclusion of dropouts. More flexibility is needed so that localities can implement programs for all disadvantaged youth not just those receiving Aid to Families with Dependent Children (AFDC) benefits. The JTPA should be amended to provide for remedial programs, dropout prevention and school-to-work transition services. Work experience opportunities must be greatly expanded. (VM)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

1-11-88

ED289942

TESTIMONY ON

UNEMPLOYED DISADVANTAGED YOUTH

Presented by

Raul Yzaguirre
President
National Council of La Raza

Before the

Senate Subcommittee on Labor
of the
Senate Committee on Labor and Human Resources
United States Senate

February 17, 1987

NATIONAL COUNCIL OF LA RAZA
Number 20 F Street, N.W.
Second Floor
Washington, D.C. 20001

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

A. Escurdo

National Council of La Raza

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

UD025957

BEST COPY AVAILABLE

I. INTRODUCTION

Mr. Chairman, members of the Subcommittee, my name is Raul Yzaguirre, and I am President of the National Council of La Raza, one of the largest national Hispanic organizations. The National Council of La Raza exists to improve life opportunities for Americans of Hispanic descent and is a private, nonprofit organization representing over 50 local Hispanic community-based organizations in 32 states, Puerto Rico and the District of Columbia. The National Council of La Raza has a long standing commitment toward improving the training and employment opportunities available to all Hispanics. The status of youth in our community has been a special concern, particularly because of severe barriers faced in the area of educational achievement. Many of our affiliates have a history of providing employment and training services under the Comprehensive Employment and Training Act (CETA), and today several of them are service providers under the Job Training Partnership Act (JTPA). I appreciate the opportunity to appear before you today to offer testimony on the issue of unemployed disadvantaged youth.

II. CHARACTERISTICS OF HISPANIC YOUTH

Profound demographic changes are taking place in the composition of the U.S. labor force. The "baby bust" shrinkage of the labor force is most marked among Americans 16 to 24 years old, many of whom are entering the labor market for the first time. The Bureau of Labor Statistics projects that from 1984 to 1990, the number of workers in the 16-to-24 age bracket will decrease by 2.7 million, to 21.3 million; from 1990 to 1995, the size of that group is expected to drop by an additional 1.1 million. The demographic decline in young workers, however, is not projected for minority communities. Relatively higher fertility rates among minorities, especially Hispanics, will guarantee a large cohort of individuals in the 16-to-24 age bracket, and the growing proportion of minorities in that age group

indicates that minority workers will account for an increasingly large segment of the future labor force. Demographic projections indicate that by 1992 there will be only three workers to provide benefits for each social security recipient, compared to 17 workers per recipient in 1952. Furthermore, one of these three workers will be a minority group member.

These projections take on very ominous overtones when viewed in light of the conditions for many Hispanic youth today. In 1985, while the total annual unemployment rate for youth was 18.6%, the unemployment rate for Black youth was 40.2%; for Hispanic youth it was 24.3% and for White youth, 15.7%. Among the barriers to successful participation in the labor market are low levels of educational attainment, a very high dropout rate, and a very high incidence of poverty. As of 1984, the proportion of high school graduates among Hispanics 25 and over was 48%, far below the 76% for non-Hispanics. Not only do Hispanics drop out at a higher rate than other groups, but they drop out of school earlier. Thus, Hispanic dropouts typically have lower educational attainment than do other dropouts.

Hispanic youth experience poverty in numbers far exceeding their representation in the overall population. While Hispanic children represented only 9.1% of all children in 1983, they represented 15.6% of all poor children in that year. A correlation exists between poverty and basic skill levels of a youth. The more severe the poverty, the greater chance the youth has of experiencing basic skill deficits, which lead to high unemployment and low wages.

III. CONCERNS WITH JTPA

The growing demands of disadvantaged youth for limited employment and training resources will severely test the capability of JTPA and its decentralized system. As the youngest population group with the highest dropout rate in the country, Hispanics have a special need for youth employment programs. JTPA has been praised as an example of "New Federalism" as it unites the public and private sectors in the delivery of employment and training services. However, several problems have

become apparent over the first four years of JTPA which have a significant impact on Hispanic youth. These include:

- Underspending on services to youth. Though JTPA mandates that 40% of all Title II funds be spent on youth services, most Service Delivery areas (SDAs) have failed to meet this requirement.

- Utilization of low-cost, short-term programs. Performance standards and limited resources have led service providers to implement short-term programs which operate at the lowest possible cost, and cater to the most job-ready participants.

- "Creaming." Related to the imposition of stringent performance standards, those in need of more extensive job training and basic education have been excluded from many JTPA programs. This is particularly true for dropouts. Under JTPA, services for youth have been primarily targeted to in-school youth or high school graduates.

Untrained youth are likely to follow the cycle of underemployment, structural unemployment, and increased use of welfare services. Victims of chronically high unemployment rates do not get the job experience and good work habits that job holders have, making it still more difficult for them to find employment in the future. This problem is particularly acute with young people, who generally have higher unemployment rates than adults. Their lack of work experience reduces productivity and the ability to obtain stable employment in the future. Therefore, the rate of structural unemployment will rise over time, regardless of economic conditions, unless action is taken to address this problem.

IV. POLICY RECOMMENDATIONS

A. Department of Labor AFDC Youth Proposal

The Department of Labor (DOL) has presented a proposal that seeks to better target JTPA services on the welfare youth population in order to break the cycle of welfare dependency. The DOL proposal allows greater flexibility for localities in implementing "enriched" programs for AFDC youth during summer months or on a year-round basis. The Department of Labor is to be commended for its proposal to revise JTPA in order to better serve at-risk youth. However, the proposal remains fairly general, and thus hopefully leaves room for some modifications. The National

Council of La Raza offers several suggestions and considerations in the development of any proposal to revise the JTPA legislation as it applies to disadvantaged youth.

First, the notion of flexibility included in the DOL proposal in developing and implementing any youth employment and training program is an excellent one. Local SDAs need to be able to formulate programs, whether they be year-round or the traditional summer programs, according to the needs of the youth in their community. If local entities are allowed flexibility to design programs which better coordinate and target resources to the most disadvantaged, this may facilitate meeting expenditure requirements under the JTPA legislation as well. However, along with such flexibility must come sufficient oversight and enforcement to ensure that expenditure and targeting requirements are met.

Second, targeting resources to AFDC youth is a welcome proposal. As you know, the National Council of La Raza supports Senator Kennedy's bill (S.514) which seeks to better target long-term AFDC recipients through JTPA. We cannot stress strongly enough the importance of breaking the cycle of unemployment and welfare dependency. However, many very disadvantaged individuals do not utilize AFDC or other welfare programs to the extent that they are eligible for these. This is particularly true for the Hispanic community. Therefore, it is imperative that resources are targeted to all disadvantaged youth, not only those in AFDC families.

Third, the general concept of an "enriched program design" which mandates an assessment of individual youth participants' needs and, when needed, basic and remedial education, counseling, skills training and support services deserves attention. These are all program characteristics which we advocate in our proposals to improve JTPA.

B. Considerations Related to the JTPA Amendments of 1986

While the 1986 amendments to JTPA represented an important step toward reaching the most disadvantaged segments of the population, we need to go one step further. The remedial education component for summer youth programs and the mandate

to establish literacy and dropout prevention programs and school-to-work transition services are valuable amendments. Specific and generous funding percentages should be defined in the legislation to ensure that SDAs, who are already operating on severely limited budgets under strict performance standards, find the resources to adequately implement such programs.

Also under the 1986 amendments, the required establishment of written goals and objectives for the remedial education program is an important aspect of improved services to youth. Once again, however, without specific funding requirements, these may become merely symbolic and unenforceable gestures, especially given countervailing pressures that encourage creaming.

C. Other Considerations

We would like to emphasize the need for adequate remedial education and English literacy services. These are particularly crucial to Hispanic youth; one study indicated that approximately 80% of Hispanic high school seniors cannot read well enough to understand their high school textbooks. Currently, English literacy services and basic education are not a priority activity, and thus Hispanic youth are not likely to be adequately served under JTPA.

One mechanism which would facilitate the provision of such services is the increased utilization of Hispanic community-based organizations (CBOs) as service providers. These community-based groups provide a crucial link between Hispanic youth and mainstream education and employment and training institutions. Bilingual/bicultural programs should also be available as a part of employment and training activities, both to help limited-English proficient youth learn English and to improve youths' self-esteem. Hispanic community-based organizations are uniquely capable of providing greatly needed language proficiency and supportive services.

A system which encourages SDAs to utilize these groups as service providers should be incorporated into JTPA. This system would involve several components. First, a revision of performance standards which would allow service providers (CBOs

in particular) to offer long-term, extensive remedial education and basic skills training to those most in need of services is necessary. Second, the methods of providing incentives to SDAs to utilize CBOs as service providers should be explored. One method might be based on the concept in Senator Kennedy's proposal which rewards, through bonus funds, state programs that effectively train AFDC recipients in the JTPA program and gets them off welfare rolls. There, we proposed that in the distribution of bonus funds, special consideration be given to service providers who provide successful remedial education programs, including literacy training, in addition to adequate support services for participants. In the case of unemployed youth, we suggest that similar incentives be provided to encourage utilization of CBOs and other service providers who successfully prepare youth (AFDC and other disadvantaged youth) for long-term unsubsidized employment.

We know that public employment programs providing part-time or summer jobs, often in cooperation with the nongovernmental sectors, have been successful in facilitating the entry of poor and minority youth into the labor market. Work experience programs, combined with remedial education and job placement, have had a positive long-term impact on disadvantaged youth, and therefore should be a priority under JTPA.

The Youth Incentive Entitlement Pilot Projects, funded as part of CETA (1978-80), are an example of a successful youth work experience program which prescribed school attendance and academic performance standards. The pilot projects provided a full-time, private-sector summer job to disadvantaged youth upon their promise to stay in school during the academic year. Participants were also provided a part-time job during the school year. Evaluations of this effort reveal the strong motivational force of subsidized employment opportunities, triggering a 50% increase in labor force participation rates among minority youth and inducing nearly three in four eligible minority teenagers to accept and hold jobs for a year or more. This program was possible only because of the financial commitment of the federal

government, and provides a model which should be replicated.

Finally, a major concern among some researchers is that the few data on Hispanic youth are inadequate and there has been very little funding for analyses of youth programs as they affect the ability of Hispanic youth to overcome barriers to employment. In order to implement effective youth programs for Hispanics, it is necessary to develop a greater understanding of the causes and problems which preclude their successful participation in the labor market. One possibility is the establishment of a national Hispanic youth employment demonstration program which would conclusively elevate the plight of Hispanic youth in the field of employment to national significance and attention, and establish a testing ground for innovative programs and strategies designed to address the special problems and needs of Hispanic youth.

IV. CONCLUSION

Federal job training funds have been slashed by 58% during the past six years. These cuts represent a reduction in human capital investment which will have costly long-term impact on federal revenues and entitlement expenditures for years to come. This disinvestment must be reversed to prevent high unemployment and an inadequately trained work force in future years. A well-trained future labor force, comprised increasingly of Hispanics, Blacks and women, will result in dual societal benefits — increased revenues for programs such as Social Security and other domestic programs and decreased expenditures for public assistance programs. The debate over the employment and training system and its intended beneficiaries is no longer limited to the issue of equality of access. Demographic realities and economic consequences should now be a strong inducement for achieving an effective federal employment and training policy responsive to the needs of Hispanics and other disadvantaged youth. It is clear that funding for JTPA and other programs that serve disadvantaged youth must be increased.

Funding issues aside, however, JTPA must be reformed. The problems of

creaming and underspending on youth programs must be addressed. Greater flexibility, improved targeting and enhanced outreach programs for youth will help remedy these problems. Emphasis on long-term remedial education, literacy training and basic skills training programs is critical if we are to adequately serve the neediest youth. Oversight and enforcement of existing mandates must also be improved. Community-based organizations must be included in the delivery of services to the most hard-core unemployed and undereducated youth. Finally, work experience opportunities must be greatly expanded if disadvantaged youth are to successfully participate in the labor market.

As always, the National Council of La Raza stands ready to work with the Chairman of the Subcommittee on these and other proposals. We will gladly answer any questions you may have regarding our testimony. Thank you once again for this opportunity to appear before the Subcommittee.